



PSC NEWS

Missouri Public Service Commission

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PSC APPROVES SEVERAL CHANGES TO COLD WEATHER RULE

Jefferson City (August 13, 2004)---A winter disconnect moratorium for registered low-income elderly or disabled customers who make a minimum payment; a rise in the temperature moratorium for all customers; and more favorable terms for reconnection of customers who have been disconnected for breaking a Cold Weather Rule payment agreement are among several changes the Public Service Commission is implementing to its Cold Weather Rule this winter.

“These changes are designed to provide a higher level of protection for all customers during the winter months,” stated PSC Chairman Steve Gaw. “There are additional special provisions in the new rule that are aimed at providing needed protections for registered elderly or disabled customers on low incomes. These customers are most at risk,” added Gaw.

Changes/modifications to the current Cold Weather Rule include:

Prohibit disconnection of registered low-income elderly or disabled customers who make a minimum payment: This is new to the Cold Weather Rule. From November 1st through March 31st, registered low-income elderly (65 years of age or older) or disabled customers will be able to maintain heat related service by paying less of his/her bill during the winter months.

If a customer is under a Cold Weather Rule payment arrangement, that customer would not have service disconnected **IF** he/she continues to pay at least 50% of: the actual bill for usage during that billing period **OR** his/her level bill amount under his/her Cold Weather Rule payment plan. Unpaid amounts during those winter months may be recovered by adjusting his/her Cold Weather Rule payment amounts after March 31st.

Under the new rule, registered low-income elderly or disabled customers would be defined as those who receive an income below 150% of the federal poverty guidelines.

Temperature Moratorium Change: Under the current Cold Weather Rule, a utility company was prohibited from disconnecting heat-related service to a customer if the temperature was predicted to fall below **30** degrees for the following 24 hour period. Under changes approved by the Commission, the temperature provision will apply when temperatures are predicted to fall below **32** degrees. As a result, there will be fewer days when customers could have service disconnected for nonpayment.

More favorable payment terms for reconnection of customers who have broken a past Cold Weather Rule payment agreement: Under the current Cold Weather Rule, utility companies could

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require full payment of all amounts due before reconnecting service. Under the revisions approved by the Commission, that customer could be reconnected by paying 80 percent of the balance owed.

Continued service provisions for customers who are moving or who are facing disconnection of service: Under new provisions of the rule, a customer who moves to a new residence within a utility company service territory that is behind on his/her Cold Weather Rule payment arrangement, he/she could be connected at the new residence by paying the past due amount under his/her payment agreement versus the total amount owed. In addition, the new rules state that a customer who is behind on a payment plan but has not yet been disconnected, can stay on the payment plan if that customer pays the amount past due before disconnection. The current Cold Weather Rule would permit a heat-related utility company to require the total amount due in order to keep service.

Other changes to the Cold Weather Rule include: utility companies can file tariffs for means testing of customers to determine if his/her income is below 150% of the federal poverty guidelines and to address situations where a customer continues to be reconnected and repeatedly breaks Cold Weather Rule payment agreements. In addition, customers seeking a Cold Weather Rule payment plan who have not defaulted on a previous payment plan will be required to pay 12% of the total 12 month budget bill amount. While this will increase the initial payment amount from the current rule, it will also reduce subsequent payments somewhat.

Revisions to the Cold Weather Rule also clarify registration requirements for the elderly or disabled. As in the past, utility companies are required to provide additional notification to registered elderly or disabled customers prior to service being disconnected for nonpayment.

“The Commission task force created to look at the current Cold Weather Rule and to evaluate long range energy affordability programs has been working very hard on these timely issues,” stated Chairman Gaw. “It is important to note that through the efforts of many, all heat- related utility companies will be implementing these changes this winter.” Natural gas prices continue to be high for this time of the year and are a concern heading into this winter.

Background: The Cold Weather Rule, which applies to all investor-owned natural gas and electric utilities in Missouri, is designed to help customers with heat-related utility service during the winter months. The Cold Weather Rule period is November 1st through March 31st. It has been a part of the Commission’s rules and regulations since 1977. Since its inception, it has helped over 2 million Missourians maintain heat-related utility service.